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STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
602 NORTH 5<sup>TH</sup> STREET  
BATON ROUGE, LA 70802

2009 JUL 21 PM 12:43  
JUL 21 2009

MURPHY OIL USA, INC., MERAUX REFINERY  
ST. BERNARD PARISH, LA

PUBLIC HEARING AND REQUEST FOR PUBLIC COMMENT ON  
PROPOSED PART 70 AIR OPERATING PERMIT MINOR MODIFICATION

Agency Interest No. 1238

Hearing taken on Tuesday, July 7, 2009 at the  
Nunez Community College Auditorium, 3710 Paris Road,  
Chalmette, Louisiana 70043, beginning at 6:00 p.m.

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Reported by:

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Dorothy H. Schmit  
Certified Court Reporter

APPEARANCES:

Representing the DEQ:

Carolyn Bryant

Representing Murphy Refinery:

Matthew Dobbins

Attendee:

Suzanne Kneale

## PROCEEDINGS

3

(The meeting was called to order and proceeded as follows:)

Good evening. Let the Record reflect that the time is 6:10 p.m. My name is Carolyn Bryant. I'm employed with the Louisiana Department of Environmental Quality and I will be serving as the hearing officer this evening, Thursday, July 7, 2009.

This hearing is scheduled to accept public comments concerning the proposed Part 70 air operating permit and minor modification for Murphy Oil USA, Inc., Meraux Refinery, Agency Interest No. 1238, Permit No. 2500-00001-V5 and Activity Tracking No. PER20090002. The site is located at 2500 East St. Bernard Highway, Meraux, St. Bernard Parish.

Murphy Oil USA, Inc., requested a minor permit modification for its Meraux Refinery. The company proposes to construct and operate a BenFree Unit (BFU) in order to comply with the US EPA Mobile Source Air Toxics (MSAT) Phase 2 final rule requirements finalized on February 26, 2007. This rule will limit the benzene content of the gasoline produced to an annual average of 0.62 percent by volume. This project will not result in any debottlenecking of any other unit at the facility.

This permit was processed as an expedited

1 permit in accordance with LAC 33:1. Chapter 18. This <sup>4</sup>  
2 hearing is not being conducted in a question and answer  
3 format. Please remember that the purpose of this public  
4 hearing is for DEQ to receive your comments concerning  
5 the proposed Part 70 air operating permit and minor  
6 modification.

7 This hearing is to provide all citizens with a  
8 chance to be heard regardless of their position on the  
9 proposed Part 70 air operating permit and minor  
10 modification.

11 Courteous behavior is expected of everyone at  
12 all times. You may speak in support of the permitting  
13 actions; in opposition to the permitting actions; or  
14 simply to provide additional information. All  
15 interested parties will be given a reasonable  
16 opportunity to comment, unless testimony is not related  
17 to the purpose of the hearing. All comments heard and  
18 transcribed during this hearing and all written comments  
19 received during the comment period will be evaluated and  
20 addressed in the Department's written response.

21 A public notice advertising this public  
22 hearing and request for public comment was published in  
23 the Bernard Voice, Arabi, Louisiana and The Advocate,  
24 Baton Rouge, Louisiana on May 29, 2009. A copy of the  
25 proposed Part 70 air operating permit and minor

1 modification is available for inspection and review at  
2 the LDEQ, Public Records Center, Room 127, 602 North 5<sup>th</sup>  
3 Street, Baton Rouge, Louisiana. Viewing hours are 8:00  
4 a.m. to 4:30 p.m., Monday through Friday, except  
5 holidays. The available information can also be  
6 accessed electronically on the Electronic Document  
7 Management System (EDMS) on the DEQ public website at  
8 [www.deq.louisiana.gov](http://www.deq.louisiana.gov).

9 An additional copy is also available for  
10 review at the St. Bernard Parish Library, 1125 East St.  
11 Bernard Highway, Chalmette, Louisiana. In addition,  
12 copies of the public notice were mailed to individuals  
13 who have requested to be placed on the mailing list  
14 maintained by the Office of Environmental Services on  
15 May 28, 2009.

16 In accordance with Louisiana Administrative  
17 Code, Title 33, Part 3, Section 532.A.3.C, comments  
18 received by 12:30 p.m., Thursday, July 9<sup>th</sup> will be  
19 considered. We've got an extension on that date. As a  
20 matter of fact, it will be August 6, 2009. All comments  
21 received by that time, 12:30 p.m., Thursday, August 6,  
22 2009, will be considered prior to a final decision. All  
23 comments received at that time shall be retained by the  
24 Department and considered in determining whether to  
25 issue or deny the permit.

1                   Written comments on this Part 70 air operating<sup>6</sup>  
2 permit and minor modification may be submitted to Ms.  
3 Soumaya Ghosn, LDEQ-OES, Permits Support Services  
4 Division, P.O. Box 4313, Baton Rouge, Louisiana, 70821-  
5 4313.

6                   Under Louisiana Revised Statutes 30:2017, as  
7 revised by the legislature in the 2004 session, the  
8 Department is required to follow the following order  
9 with the provision that the presiding officer may give  
10 preference to a public official to speak at any time  
11 during the hearing. However, any time limit set for  
12 citizen testimony shall apply to public officials.

13                  The Department must provide up to 30 minutes  
14 to the permit applicant for an introductory  
15 presentation. Thereafter, preference for speaking, up  
16 to one hour, is given as follows:

17                   For the first hour, to those citizens who live  
18 within a two-mile radius of the location of  
19 the facility;

20  
21                   For the second hour, to those citizens who  
22 work within a two-mile radius of the location  
23 of the facility;

24  
25                   And for the third hour, to those citizens who

1 live in the parish of the location of the <sup>7</sup>  
2 facility.

3  
4 Thereafter, each hour of the hearing shall  
5 alternate between those who are in support of  
6 the proposed Part 70 air operating permit and  
7 minor modification and those who are opposed  
8 to the permit.

9  
10 The order of tonight's hearing will be based  
11 on the information provided by the speaker on  
12 the registration form. Anyone who registered  
13 to speak but did not provide the necessary  
14 information will be given the opportunity to  
15 speak; however, they will be called last in  
16 the order of registration.

17  
18 This hearing is being transcribed; therefore,  
19 I will ask each speaker begin by stating for the Record  
20 his or her name, address, and any organization he or she  
21 may represent.

22  
23 I would like to remind you to please turn off  
24 all cell phones. Thank you.

1                   At this time, I would like to ask the permit <sup>8</sup>  
2                   applicant's representative to come forward and make an  
3                   introductory presentation. That would be you, Mr.  
4                   Dobbins?

5                   **MR. DOBBINS:**

6                   Yes, ma'am.

7                   **MS. BRYANT:**

8                   Matt Dobbins.

9                   **MR. DOBBINS:**

10                  Good evening. My name is Matthew Dobbins.  
11                  I'm an environmental engineer for Murphy Oil USA,  
12                  Incorporated, Meraux Refinery. My work address is 1615  
13                  East Judge Perez Boulevard, Chalmette, Louisiana.

14                  I'm here tonight to provide our comments to  
15                  the solitary Environmental Part 70 operating permit  
16                  2500-000001-V5. Murphy Oil USA, Incorporated owns and  
17                  operates a petroleum refinery in Meraux, Louisiana.  
18                  Murphy Oil is submitting this application in order to  
19                  modify the facility's Title V permit according to the  
20                  provisions in the Code of Federal Regulations, 40 CFR  
21                  Part 70, and as required by the Louisiana Department of  
22                  Environmental Quality's Operating Permits Program,  
23                  Chapter 5 of the Administrative Code.

24                  On February 25, 2009, we submitted to the  
25                  Louisiana Department of Environmental Quality an

1 application to modify our Title V air permit. Murphy<sup>9</sup>  
2 submitted this application to request authorization to  
3 construct and operate a new unit, known as the BenFree  
4 Unit, at the Meraux Refinery in order to comply with the  
5 USEPA's Mobile Sources Air Toxics rule to reduce the  
6 concentration of benzene in gasoline. Coverage under a  
7 Title V permit is required before construction may  
8 begin.

9 Second, Murphy is requesting updates to  
10 several tanks emissions CAPs. The current Title V  
11 permit employs tanks emissions CAPs in categories that's  
12 named such as crude, gasoline, middle distillates, et  
13 cetera. Murphy Oil is requesting updates to several  
14 CAPs, reflective of several tanks recently permitted for  
15 construction, and some of these tanks will soon be  
16 operational. Due to enhanced pollution control on these  
17 new tanks, overall permit emissions from our tank farm  
18 will be reduced by 10 percent.

19 Third, Murphy is requesting a change to Boiler  
20 B-7 to enable the use of a smaller temporary boiler.  
21 The Meraux Refinery sometimes has the need to shut down  
22 other boilers for maintenance, necessitating the need  
23 for a temporary boiler. In permitting the temporary  
24 boiler, Murphy will not need to ask for permit  
25 variances.

1                   Returning to the subject of the BenFree Unit,<sup>10</sup>  
2                   in the preamble of the MSAT Mobile USEPA states that  
3                   mobile sources are a significant source of benzene  
4                   exposure to the public. These exposures include  
5                   proximity of homes to major highways, refueling of  
6                   vehicle, and loading of portable fuel containers. USEPA  
7                   estimates that through the implementation of this rule,  
8                   public exposure to MSATs will be reduced by greater than  
9                   90 percent.

10                  Murphy plans to construct and operate the  
11                  BenFree Unit as an add-on to the Platformer Unit, its  
12                  source of feedstock. Platformate accounts for  
13                  approximately 40 percent of our gasoline and is rich in  
14                  benzene due to the reforming process. The BenFree Unit  
15                  will use hydrogen, and fixed bed catalyst to convert  
16                  Platformate benzene into cyclohexane. The unit will be  
17                  built within the existing refinery fenceline, and there  
18                  will be no storage of pure benzene streams.

19                  The unit will be fairly small with a capacity  
20                  of 27,000 barrels per day of Platformate, run through a  
21                  splitter tower and a reactor fired by a modest-sized  
22                  reboiler. Beside mobile sources, this project will  
23                  reduce emissions of benzene and other MSATS from  
24                  gasoline and stationary sources at the Meraux Refinery  
25                  at the Meraux Marketing Terminal, such as storage tanks,

1 and loading operations at the dock and the Meraux  
2 Marketing Terminal.

3 The social and economic impacts of compliance  
4 with the MSAT rule have already been considered by the  
5 USEPA during the development of this rule. Murphy will  
6 strive to reach environmental impact of the BenFree Unit  
7 as follows:

- 8 ● NO<sub>x</sub> emissions will be minimized by equipping  
9 the BenFree Reboiler with ultra low-NO<sub>x</sub>  
10 burners.
- 11 ● Sulfur Dioxide emissions will be minimized by  
12 the firing of the BenFree reboiler on
  - 13 ○ refinery fuel gas, which is monitored for
  - 14 H<sub>2</sub>S content via continuous emissions
  - 15 monitoring system, and
  - 16 ○ on purchased natural gas which meets
  - 17 industry wide standards for low sulfur
  - 18 content.
- 19 ● VOC emissions will be minimized by:
  - 20 ○ employing a maximum achievable control
  - 21 technology air pollution controls on
  - 22 fugitives components in the BenFree Unit,
  - 23 per 40 CFR Part 63, Subpart CC.
  - 24 ○ while the storing gasoline product from
  - 25 this unit in onsite storage tanks with

- 1 controls already in place to meet 40 CFR<sup>12</sup>  
2 Part 63, Subpart CC.  
3       o Also we'll be employing control on the  
4 process sewers from this unit per 40 CFR  
5 Part 60, Subpart QQQ,  
6       o and will be routing routine off-gases to  
7 the refinery field gases for combustion  
8 and process heaters, and  
9       o routing emergency gases to the North  
10 Flare for stage combustion.

11           The other aspects of the application are  
12 updates to the tanks emissions caps to incorporate new  
13 tanks for recently purchased which will actually reflect  
14 a 10 percent reduction of VOC emissions from tanks.  
15 More detail is provided in the body of the application.

16           Being a part of the St. Bernard Parish  
17 community, Murphy announced the application submittal,  
18 and discussed its details, at the Meraux Refinery  
19 Community Advisory Panel meeting on March 12, 2009. We  
20 provided notice of this permit activity to local, state,  
21 and federal representatives of this area on March 10,  
22 2009. Murphy also provided a copy of the Environmental  
23 Assessment Statement to the St. Bernard Parish Library  
24 on May 27, 2009. Lastly, we requested this public  
25 hearing from LDEQ.

1 In order to comply with the Mobile Source Air<sup>13</sup>  
2 Toxics rule in a timely manner, Murphy plans to commence  
3 construction of the unit in August 2009. We felt that  
4 after submittal of the permit application on February  
5 25, 2009, ample time was available for discussion of the  
6 merits of this project.

7 In late a late development, LDEQ received a  
8 public complaint regarding the content of several  
9 footnotes in Appendix D of the permit application.  
10 These footnotes were used by our consultant firm to  
11 record correspondence with Murphy and were not critical  
12 to the application. In fact, only one footnote cited in  
13 the complaint was relevant to this permit application.  
14 Regardless, Murphy has provided the requested  
15 information to LDEQ and has included that reply as an  
16 exhibit for this public hearing.

17 Murphy works closely with LDEQ on all permit  
18 applications to ensure that adequate information has  
19 been provided for LDEQ to make informed decisions.  
20 Further, Murphy wishes to acknowledge that LDEQ received  
21 is the authority on managing permits in Louisiana,  
22 possessing the technical expertise and professional  
23 judgement to determine whether an applicant has  
24 submitted sufficient information in their permit  
25 application.

1 In conclusion, Murphy wishes to stress the  
2 following:

- 3 • Benzene reduction in gasoline is a  
4 regulatory requirement of the USEPA.
- 5 • Benzene reduction in gasoline will be a  
6 protector of human health, per the USEPA.
- 7 • Murphy has selected the BenFree process  
8 as the optimal technology to convert  
9 benzene into cyclohexane.
- 10 • The BenFree Unit will not be result in  
11 the storage of pure benzene streams.
- 12 • The BenFree Unit will be constructed  
13 within the existing refinery fence line.
- 14 • The BenFree Unit will not affect the  
15 overall throughput of the economy. It  
16 will be an add-on unit to the Platformer  
17 Unit which makes gasoline.

18 Murphy presents these written comments plus  
19 our reply to LDEQ's request for additional information  
20 on July 6 as an exhibit for LDEQ's records. In closing,  
21 Murphy also respectfully requests LDEQ to approve the  
22 permit modification. Thank you.

23 **MS. BRYANT:**

24 Thank you, Mr. Dobbins (accepting  
25 documents from speaker). I will now begin by allowing

1 all persons who have signed up to speak for 10 minutes<sup>15</sup>  
2 in which time to present their comments. I only have  
3 one. The person speaking is one of the citizens who  
4 lives within a two-mile radius of the facility and that  
5 would be Suzanne Kneale.

6 **MS. KNEALE:**

7 Thank you. Suzanne Kneale, K-N-E-A-L-E,  
8 2114 Corinne Drive, C-O-R-I-N-N-E, Chalmette, St.  
9 Bernard Parish, Louisiana on behalf of myself and  
10 Concerned Citizens Around Murphy Neighborhood  
11 Association.

12 On behalf of CCAM, Tulane Environmental  
13 Law Clinic requested the Louisiana DEQ provide the  
14 information on which Murphy Oil of LADEQ based its  
15 emission calculations for the proposed permit  
16 modification. Without that information, it is  
17 difficult, if not impossible, to comment on PSD review  
18 and BACT applicability without seeing the basis of the  
19 emissions calculations.

20 CCAM requests an extension of the public  
21 comment period for at least 20 days to allow the public  
22 an opportunity to review and provide comments on the  
23 requested data. The emissions data is so complex and we  
24 still have so many questions. Even a few extra days  
25 would be very helpful. As always, the agency's

1 cooperation is appreciated.

2 The United States EPA has made good changes to  
3 the gasoline we use in our vehicles. One of the first  
4 changes was to mandate unleaded gasoline, which has  
5 provided a healthier environment for us and our  
6 children. Then came low-sulfur gasoline, which also  
7 introduced ethanol into the product. Now EPA requires a  
8 low-benzene gasoline.

9 While reduction of VOC's from our vehicles is  
10 an important goal and one which we should do our part to  
11 be part of the solution, it should not come at the cost  
12 of the little good air that is left in our neighborhoods  
13 around refineries.

14 The air quality in the fenceline neighborhood  
15 is so poor at times that residents shelter themselves in  
16 place or hold their noses when they are on the roads  
17 that pass through the Murphy Oil facility. Louisiana  
18 law prohibits Louisiana DEQ from issuing a permit that  
19 maintains a nuisance or a danger to public health and  
20 safety.

21 And furthermore, technology exists that could  
22 protect public health and reduce toxic air emissions in  
23 fenceline communities. Louisiana DEQ should require  
24 extra air monitoring to ensure Murphy's permit limits  
25 are maintained and air monitoring may even help the

1 refinery become more efficient. To protect public  
2 health and the quality of air we breathe, the best  
3 available technology should be utilized to result in the  
4 lowest achievable emission levels.

5 That would be the best approach to maintaining  
6 a balance between our residential district and our  
7 heavy-industrial neighbor. Without the installation and  
8 maintenance of appropriate pollution controls, the  
9 balance will unjustly shift toward industry, as we have  
10 so often witnessed. And that undermines our health and  
11 safety as well as that of our children.

12 The proposed BenFree Unit is dependent on the  
13 Platformer Unit for feed. When the Platformer Unit goes  
14 down, the BenFree Unit will not operate. What will this  
15 sound and smell like when the BenFree Unit shuts down?  
16 What are the expected shutdown emissions? Concerned  
17 Citizens Around Murphy have learned the hard way that  
18 these are questions that need to be asked and Louisiana  
19 DEQ must demand answers to these questions as well.

20 Furthermore, when the Platformer is down, the  
21 refinery tends to use more steam. Throughout the recent  
22 past, hot boiler leaks have been a source of ear-  
23 splitting noise. Boiler No. 5 has been a source of  
24 exceedingly high noise levels and has caused entire  
25 houses to shake, which has some occasions -- which on

1 some occasions cracked Sheetrock. What alternatives has<sup>18</sup>  
2 Murphy examined to siting the new Boiler No. 7 so that  
3 it does not cause further damage to our homes?

4 Hopefully, this air permit modification does  
5 not add to the already intolerable situation, but rather  
6 begins to implement some long-term solutions.

7 As some additional information, I would like  
8 the agency to note that the St. Bernard Parish Public  
9 Library is temporarily housed at an address which is  
10 different than what was noted, and that address is 7700  
11 West Judge Perez Drive, Chalmette, Louisiana 70043. But  
12 people. The residents of St. Bernard Parish are aware  
13 of that and I don't believe it's caused any confusion.

14 Thank you.

15 **MS. BRYANT:**

16 All right, Ms. Kneale. Thank you.

17 Is there anyone else who had not signed  
18 up to speak but would like to at this time?

19 (No response.)

20 All right. It's 6:30, 6:31. I will  
21 recess the hearing until 7:00 p.m. and we'll see if  
22 anyone else has arrived and would like to comment. If  
23 not, we'll adjourn the hearing at that time. All right.  
24 We're in recess.

25 (The hearing was recessed.)

1 I would like to reconvene the hearing at this<sup>19</sup>  
2 time. Are there any other comments? Anyone else who  
3 wishes to speak?

4 (No response.)

5 All right. If not, I would like to remind you  
6 that the comment period for this proposed Part 70 air  
7 operating permit and minor modification for Murphy Oil  
8 USA, Inc., Meraux Refinery, has been extended to  
9 Thursday, August 6<sup>th</sup>, which brings it from -- the date  
10 was July 9<sup>th</sup>, but the date is now Thursday, August 6<sup>th</sup> at  
11 12:30 p.m.

12 All comments received, requests for  
13 modification of final decisions and the transcript from  
14 the hearing are processed by the Public Participation  
15 Group and are available on EDMS.

16 The permit writer reviews all comments and  
17 uses any additional information that is appropriated to  
18 update the permitting information.

19 The names and addresses of all the commentors,  
20 speakers and those requesting to be notified of the  
21 final decisions are added to the Public Comment  
22 Database.

23 A final draft of the permit and the response  
24 to the public comments are prepared and forwarded to the  
25 Office of Environmental Services Assistant Secretary for

1 final decision.

2 Upon the issuance or denial of the permit, a  
3 letter is mailed to all the commentors, speakers and  
4 those who requested to be notified of the final  
5 decision. The final decision includes the appeals --

6 (There was a technical difficulty delay.)

7 The final decision includes the appeal process, the  
8 basis of decision and the response to all the public  
9 comments received.

10 I have received a total of two exhibits during  
11 this hearing. If there are no further comments, I would  
12 like to thank you for your attention and participation  
13 in this hearing.

14 Let the Record reflect that the time is 7:03  
15 p.m. This hearing is closed.

REPORTER'S PAGE

I, Dorothy H. Schmit, Certified Court Reporter, in and for the State of Louisiana, the officer, as defined in Rule 28 of the Federal Rules of Civil Procedure and/or Article 1434(b) of the Louisiana Code of Civil Procedure, before whom this sworn testimony was taken, do hereby state on the Record:

That due to the interaction in the spontaneous discourse of this proceeding, dashes (--) have been used to indicate pauses, changes in thought, and/or talkovers; that end dots (...) have been used to indicate thoughts trailed off; that same is the proper method for a court reporter's transcription of the proceeding, and that the dashes and end dots do not indicate that words or phrases have been left out of this transcript;

That any words and/or names which could not be verified through reference material have been denoted with the phrase "(phonetic)."



*Dorothy H. Schmit*  
Dorothy H. Schmit, CCR  
Certified Court Reporter  
Louisiana License #23039

REPORTER'S CERTIFICATE

This certification is valid only for a transcript accompanied by my original signature and official seal on this page.

I, Dorothy H. Schmit, Certified Court Reporter, in and for the State of Louisiana, as the officer before whom this testimony was taken, do hereby certify that this hearing did proceed as hereinbefore set forth in the foregoing 21 pages;

That this hearing was reported by me in the Stenomask (voice-writing) method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding;

That I am not related to the parties herein; am not otherwise interested in the outcome of this matter; and am a valid member in good standing of the Louisiana State Board of Examiners of Certified Shorthand Reporters.



*Dorothy H. Schmit*  
Dorothy H. Schmit  
Certified Court Reporter  
Louisiana License #23039